

§ 17.154

section and a copy of the determination is received by the Department's Chief Financial Officer. No referral will be made to the IRS or the Department of the Treasury if review of the debt by the Administrative Judge reverses the initial decision that the debt is past due and legally enforceable.

[51 FR 39750, Oct. 31, 1986, as amended at 67 FR 47435, July 18, 2002]

§ 17.154 Postponements, withdrawals and extensions of time.

(a) *Postponements and withdrawals.* The Secretary may, for good cause, postpone or withdraw referral of the debt to the Department of Treasury. (For example, a delay in the mail between the debtor and the Secretary could normally warrant a postponement; a mathematical error or computer malfunction could be the reason for a withdrawal.)

(b) *Extensions of time.* At the discretion of the Administrative Judge, time limitations required in these procedures may be extended in appropriate circumstances for good cause shown.

[51 FR 39750, Oct. 31, 1986, as amended at 67 FR 47435, July 18, 2002]

§ 17.155 Review of departmental records related to the debt.

(a) *Notification by debtor.* A debtor who intends to inspect or copy departmental records related to the debt as determined by the Secretary must send a letter to the Title I Representative stating his or her intention. The letter must be received by the Title I Representative within 25 calendar days from the date of the Department's Notice of Intent.

(b) *Department's response.* In response to timely notification by the debtor as described in paragraph (a) of this section, the Title I Representative will notify the debtor of the location and time when the debtor may inspect or copy departmental records related to the debt.

§ 17.156 Stay of offset.

If the debtor timely notifies the Secretary that he or she is exercising a right described in § 17.152(a) and timely submits evidence in accordance with § 17.152(b), any notice to the IRS or the

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Department of the Treasury will be stayed until the issuance of a written decision by the Administrative Judge which determines that a debt or part of a debt is past-due and legally enforceable.

[67 FR 47435, July 18, 2002]

§ 17.157 Application of offset funds: Single debt.

If the debtor does not timely notify the Secretary that he or she is exercising a right described in § 17.152, the Secretary will notify the Department of the Treasury of the debt no earlier than 65 calendar days from the date of the Department's Notice of Intent, and will request that the amount of the debt be offset against any amount payable by the Department of the Treasury as a Federal payment. Normally, recovered funds will be applied first to costs of collection, then to any special charges provided for in HUD regulations or contracts, then to interest and finally, to the principal owed by the debtor.

[67 FR 47435, July 18, 2002]

§ 17.158 Application of offset funds: Multiple debts.

The Secretary will use the procedures set out in § 17.157 for the offset of multiple debts. However, when collecting on multiple debts the Secretary will apply the recovered amounts against the debts in the order in which the debts accrued.

§ 17.159 Application of offset funds: Federal payment is insufficient to cover amount of debt.

If an offset of a Federal payment is insufficient to satisfy a debt, the Secretary will continue the certification to the Department of the Treasury to collect further on the debt. If, in the following year, the debt has become legally unenforceable because of the lapse of the statute of limitations, the debt will be reported to the IRS as a cancelled debt in accordance with § 17.150(d).

[67 FR 47435, July 18, 2002]